

2018

**STATE OF LOUISIANA  
RED RIVER LEVEE AND DRAINAGE DISTRICT  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

**JUN 27 2012**

**STATE OF LOUISIANA**  
**RED RIVER LEVEE AND DRAINAGE DISTRICT**  
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# **HINES, SHEFFIELD & SQUYRES, L.L.C.**

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Board of Commissioners  
Red River Levee and Drainage District  
Coushatta, Louisiana

We have compiled the accompanying financial statements of the Red River Levee and Drainage District, Coushatta, Louisiana, a component unit of the State of Louisiana, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Red River Levee and Drainage District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the Red River Levee and Drainage District in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The accompanying supplemental information schedules listed in the table of contents are not a required part of the basic financial statements but are presented for purposes of additional analysis. Such information has been compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

We are not independent with respect to the Red River Levee and Drainage District.

***Hines, Sheffield & Squyres***  
Natchitoches, Louisiana  
October 7, 2011

**EXHIBIT A**

**STATE OF LOUISIANA**  
**RED RIVER LEVEE AND DRAINAGE DISTRICT**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	\$ 339,159
Accounts receivable	<u>578</u>
Total Current Assets	339,737
<b>Noncurrent Assets</b>	
Capital assets, net	<u>0</u>
Total Assets	<u>\$ 339,737</u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable and accruals	\$ <u>1,012</u>
Total Current Liabilities	1,012
<b>Noncurrent Liabilities</b>	
Compensated absences payable	<u>0</u>
Total Liabilities	1,012
<b>NET ASSETS</b>	
Investment in capital assets, net of related debt	0
Unrestricted	<u>338,725</u>
Total Net Assets	<u>338,725</u>
Total Liabilities and Net Assets	<u>\$ 339,737</u>

See accompanying notes and accountants' report

**EXHIBIT B**

**STATE OF LOUISIANA**  
**RED RIVER LEVEE AND DRAINAGE DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

OPERATING REVENUES	
Licenses and permits	\$ 2,600
Total Operating Revenues	<u>2,600</u>
OPERATING EXPENDITURES	
Personal services	23,414
Travel	0
Operating services	34,895
Supplies	0
Professional services	4,240
Depreciation	<u>0</u>
Total Operating Expenditures	<u>62,549</u>
Operating Income/(Loss)	(59,949)
NONOPERATING REVENUES/(EXPENSES)	
Taxes	237,390
State revenue sharing	<u>2,415</u>
Total Nonoperating Revenues/(Expenses)	<u>239,805</u>
Change in Net Assets	179,856
Total Net Assets, Beginning of year	<u>158,869</u>
Total Net Assets, End of year	<u>\$ 338,725</u>

See accompanying notes and accountants' report

**EXHIBIT C**

**STATE OF LOUISIANA  
RED RIVER LEVEE AND DRAINAGE DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
Red River Levee and Drainage District	<u>\$ 62,549</u>	<u>\$ 2,600</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (59,949)</u>
General Revenues					
Taxes					237,390
State revenue sharing					<u>2,415</u>
Total General Revenues					<u>239,805</u>
Change in Net Assets					179,856
Net Assets, Beginning of year					<u>158,869</u>
Net Assets, End of year					<u>\$ 338,725</u>

See accompanying notes and accountants' report

**EXHIBIT D**

**STATE OF LOUISIANA**  
**RED RIVER LEVEE AND DRAINAGE DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Cash Flows From Operating Activities	
Cash received from customers	\$ 2,600
Cash payments to suppliers for goods and services	(90,694)
Cash payments to employees and board members for services	(23,668)
Other operating revenues/(expenses)	<u>0</u>
Net Cash From Operating Activities	(111,762)
 Cash Flows From Non-Capital Financing Activities	
State appropriations	54,616
Cash receipts of taxes	236,812
State revenue sharing	2,415
Miscellaneous revenues	<u>0</u>
Net Cash From Non-Capital Financing Activities	<u>293,843</u>
 Net Increase in Cash	182,081
 Cash, Beginning of year	<u>157,078</u>
 Cash, End of year	<u>\$ 339,159</u>
  Reconciliation of Operating Loss to Net Cash From Operating Activities	
Operating income/(loss)	\$ (59,949)
Adjustments to reconcile operating loss to net cash from operating activities	
(Increase)/decrease in operating assets	
Accounts receivable	0
Increase/(decrease) in operating liabilities	
Accounts payable and accruals	<u>(51,813)</u>
Net Cash Flows From Operating Activities	<u>\$ (111,762)</u>

See accompanying notes and accountants' report

STATE OF LOUISIANA  
RED RIVER LEVEE AND DRAINAGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

The Red River Levee and Drainage District was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:291. The Levee District includes all or portion of Red River and DeSoto Parishes. The Levee District primarily provides flood protection for those areas contained in the District. The Board of Commissioners administers the operations and responsibilities of the Levee District in accordance with the provisions of Louisiana statute. The members of the Board of Commissioners which governs the District are appointed by the governor of the State of Louisiana.

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A.            Basis of Accounting**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Red River Levee and Drainage District present information only as to the transactions of the programs of the Red River Levee and Drainage District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Red River Levee and Drainage District are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration-Office of Statewide Reporting and Accounting Policy as follows:

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

**Expense Recognition**

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**B.            Budgetary Accounting**

Formal budgetary accounting is employed as a management control. The District prepares and adopts a budget prior to July 1 of each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The District amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.



**STATE OF LOUISIANA**  
**RED RIVER LEVEE AND DRAINAGE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2011**

**NOTE 1        SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B.        Budgetary Accounting (Continued)**

State appropriations made for the operations of the various programs of the Red River Levee and Drainage District are annual lapsing appropriations

- 1        The budgetary process is an annual appropriation valid for one year
- 2        The agency is prohibited by statute from over expending the categories established in the budget
- 3        Budget revisions are granted by the Joint Legislative Budget Committee, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board
- 4        The budgetary information included in the financial statements include the original appropriation plus subsequent amendments as follows

Original Approved Budget	\$            0
Amendments	<u>          0</u>
Final Approved Budget	<u><u>          0</u></u>

**C.        Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the District defines cash and cash equivalents as follows

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition

**D.        Receivables**

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible

**E.        Bad Debts**

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2011, \$0 were considered to be uncollectible

**STATE OF LOUISIANA**  
**RED RIVER LEVEE AND DRAINAGE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2011**

**NOTE 1        SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F.        Capital Assets**

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the District are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

**G.        Compensated Absences**

The Red River Levee and Drainage District has no full time employees, therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

**H.        Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2        DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**A.        Deposits with Financial Institutions**

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law the Red River Levee and Drainage District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the District may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer. The deposits at June 30, 2011 were secured as follows:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ <u>336,731</u>	\$ <u>0</u>	\$ <u>336,731</u>

**STATE OF LOUISIANA**  
**RED RIVER LEVEE AND DRAINAGE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2011**

**NOTE 2        DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)**

**A.        Deposits with Financial Institutions (Continued)**

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Bank Balances (Category 3 Only, If Any)			
a   Uninsured and uncollateralized	\$            0	\$            0	\$            0
b   Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c   Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	<u>0</u>	<u>0</u>	<u>0</u>
Total Category 3 Bank Balances	<u>\$            0</u>	<u>\$            0</u>	<u>\$            0</u>
Total Bank Balances (All Categories Including Category 3 Reported Above)	<u>\$        337,013</u>	<u>\$            0</u>	<u>\$        337,013</u>

The following is a breakdown by banking institution and amount of the balances shown above

<u>Banking Institution</u>	<u>Amount</u>
Bank of Coushatta	\$        337,013
Total	<u>\$        337,013</u>
Cash in State Treasury	<u>\$        2,428</u>

**B.        Investments**

At June 30, 2011, the Red River Levee and Drainage District had investments of \$0

**NOTE 3        ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at June 30, 2011

<u>Class of Receivable</u>	
Taxes	\$            578
Total	<u>\$            578</u>

**STATE OF LOUISIANA**  
**RED RIVER LEVEE AND DRAINAGE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2011**

**NOTE 4 CAPITAL ASSETS**

A summary of the Red River Levee and Drainage District's capital assets at June 30, 2011 follows

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011
Capital Assets, not being depreciated				
Land	\$ 0	\$ 0	\$ 0	\$ 0
Total Capital Assets, not being depreciated	0	0	0	0
Capital Assets, being depreciated				
Buildings and building improvements	0	0	0	0
Less accumulated depreciation	0	0	0	0
Total Buildings and building improvements	0	0	0	0
Automobiles and equipment	0	0	0	0
Less accumulated depreciation	0	0	0	0
Total Automobiles and equipment	0	0	0	0
Total Capital Assets, being depreciated	0	0	0	0
Total Capital Assets, net	\$ 0	\$ 0	\$ 0	\$ 0

**NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS**

The following is a summary of accounts payable at June 30, 2011

<u>Class of Payable</u>	
Vendor	\$ 0
Salaries and benefits	1,012
Total	<u>\$ 1,012</u>

**NOTE 6 LEASE OBLIGATIONS**

The Red River Levee and Drainage District was not obligated under any capital or operating lease commitments at June 30, 2011

**NOTE 7 RISK MANAGEMENT**

The Red River Levee and Drainage District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

**NOTE 8 LITIGATION**

There was no outstanding litigation against the Red River Levee and Drainage District at June 30, 2011

## **SUPPLEMENTARY INFORMATION**

SCHEDULE 1

**STATE OF LOUISIANA**  
**RED RIVER LEVEE AND DRAINAGE DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Original/Final Budget	Actual	Variance Fav /(Unfav )
<b>REVENUES</b>			
Taxes	\$ 200,000	\$ 237,390	\$ 37,390
State revenue sharing	2,400	2,415	15
License and permits	2,500	2,600	100
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	204,900	242,405	37,505
<b>EXPENDITURES</b>			
General government			
Personal services	24,000	23,414	586
Travel	0	0	0
Operating services	35,000	34,895	105
Supplies	0	0	0
Professional services	4,250	4,240	10
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>63,250</u>	<u>62,549</u>	<u>701</u>
Excess/(Deficiency) Of Revenues Over Expenditures	141,650	179,856	38,206
Fund Balance, Beginning of year	<u>158,869</u>	<u>158,869</u>	<u>0</u>
Fund Balance, End of year	<u>\$ 300,519</u>	<u>\$ 338,725</u>	<u>\$ 38,206</u>

SCHEDULE 2

STATE OF LOUISIANA  
RED RIVER LEVEE AND DRAINAGE DISTRICT  
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
FOR THE YEAR ENDED JUNE 30, 2011

<u>Commissioners</u>	
Daniel Cason	\$ 900
Marlan Anderson	975
Robert Burleson	1,125
Milton Forrest	12,000
William Waltman	<u>1,350</u>
Total	<u>\$ 16,350</u>

The schedule of compensation paid board members was prepared in compliance with House Concurrent Resolution No 54 of the 1979 Session of the Louisiana Legislature. Per diem payments are authorized by Louisiana Revised Statute 38:308 and are included in the personal services expenses. Board members are paid \$75 per day to a maximum of 36 days per year for board meetings and/or official business. The board president may receive compensation not to exceed \$1,000 per month in lieu of per diem.